

NSX Announcement
7 October 2014

Issue of Fully Paid Ordinary Shares and Unlisted Options in Satisfaction of US\$33 million of Loans

Further to the announcement made by International Petroleum Limited (NSX:IOP) (**International Petroleum** or the **Company**) on 11 August 2014, and the sale of the Russian Assets, as approved by shareholders at the Company's general meeting held on 8 September 2014, the Company advises that the following fully paid shares (**Shares**) and unlisted options have been issued in satisfaction of US\$33 million of loans and interest owing by the Company:

- 121,646,857 Shares have been issued to Varesona Participation Corporation (**Varesona**) on conversion of US\$11.2million convertible loans;
- 147,803,270 Shares and 5,000,000 unlisted options exercisable at A\$0.06 per option on or before 2 October 2016, have been issued to Range Resources Limited (**Range Resources**) in satisfaction of all monies owing by the Company to Range Resources; and
- 233,890,450 Shares and 5,000,000 unlisted options exercisable at A\$0.06 per option on or before 2 October 2016, have been issued to African Petroleum Corporation Limited (**African Petroleum**) in satisfaction of all monies owing by the Company to African Petroleum.

Following conversion of these loans, the Company does not have any outstanding loans payable.

The Company advises that 10,000,000 options exercisable at A\$0.01 per option on or before 9 June 2019 were issued to Mr A. Osipov on his appointment as Chief Executive Officer. The Company further advises that 18,000,000 unlisted options exercisable at A\$0.25 per option lapsed on resignation of employees during March and July of this year, and 200,000 unlisted options exercisable at A\$0.30 per option expired on 1 June 2014.

Yours faithfully

Tony Sage
Non-Executive Chairman

For more information please contact

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Company Secretary
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Application for Quotation of Additional Securities

File Reference:

I:\Operations\Projects\NETS Project\NSX install package USB key\Issuer Documents\NSX Quotation of Additional Securities.doc

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Introduction

To ensure the efficient processing of this form by NSX, please:

1. Adhere to the suggested number of the annexures required by this form.
2. Complete **all** statements and questions in this form. (NSX can provide an electronic version of this form on request).

More Information and Submission of Form:

Further information can be obtained from and all applications should be sent to:

General Manager
National Stock Exchange of Australia Limited
PO BOX 283
Newcastle NSW 2300

Phone: 61 2 4929 6377

Fax: 61 2 4929 1556

<http://www.nsga.com.au>



New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to NSX as soon as available. Information and documents given to NSX become NSX's property and may be made public.

Introduced 11 March 2004.

Name of entity

International Petroleum Limited

ABN/ACN

76 118 108 615

We (the entity) give NSX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | Class of securities issued or to be issued | Fully Paid Ordinary Shares & Unlisted Options |
| 2 | Number of securities issued or to be issued (if known) or maximum number which may be issued | 503,340,577 Fully Paid Ordinary Shares
20,000,000 Unlisted Options |
| 3 | Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares

10,000,000 Unlisted Options exercisable at \$0.06 on or before 2 October 2016

10,000,000 Unlisted Options exercisable at \$0.01 on or before 9 June 2019. |

<p>4 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Fully Paid Ordinary Shares – Yes</p> <p>Unlisted Options - No. The shares issued upon exercise of the options will rank equally with shares on issue.</p>				
<p>5 Issue price or consideration</p>	<p>Shares and Options were issued for nil cash consideration as they were issued in satisfaction of loans and interest owing by the Company.</p> <p>42,576,400 fully paid ordinary shares, with a deemed issue price of A\$0.15 per share</p> <p>79,070,457 fully paid shares, with a deemed issue price of A\$0.07 per share</p> <p>381,693,720 fully paid ordinary shares, with a deemed issue price of A\$0.06 per share</p> <p>Nil cash consideration for issue of options.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Fully Paid Ordinary Shares – satisfaction of loans</p> <p>Unlisted Options - consideration for services to the Company.</p>				
<p>7 Dates of entering securities into uncertificated holdings or despatch of certificates</p>	<p>2 October 2014</p>				
<p>8 Number and class of all securities quoted on NSX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="766 1724 1077 1769">Number</th> <th data-bbox="1077 1724 1394 1769">Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1769 1077 1984">1,679,602,608</td> <td data-bbox="1077 1769 1394 1984">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	Class	1,679,602,608	Fully paid ordinary shares
Number	Class				
1,679,602,608	Fully paid ordinary shares				

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Part 2 - Bonus issue or pro rata issue

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|----|--|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the securities will be offered | |
| 14 | Class of securities to which the offer relates | |
| 15 | Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with. | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |


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You need only complete this section if you are applying for quotation of securities

(a) Securities described in Part 1

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Additional securities forming a new class of securities

35  If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

36  If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 ☐ A copy of any trust deed for the additional securities

Entities that have ticked box 34(b)

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[illegible]

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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(if issued upon conversion of another security, clearly identify that other security)

Number	Class

Quotation agreement

1 Quotation of our additional securities is in NSX's absolute discretion. NSX may quote the securities on any conditions it decides.

2 We warrant the following to NSX.

- The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those securities should not be granted quotation.
- An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
- If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.

3 We will indemnify NSX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give NSX the information and documents required by this form. If any information or document not available now, will give it to NSX before quotation of the securities begins. We acknowledge that NSX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:Jason Brewer..... Date: 7 October 2014
(Company secretary)

Print name: Jason Brewer